

MEMBER'S REPORT

The quarterly newsletter for active and retired OP&F members and their survivors

Ohio
Police
& Fire
Pension
Fund



OP&F CONTINUES ESSENTIAL OPERATIONS

Throughout the COVID-19 pandemic, essential operations at OP&F have continued, including the payment of benefits to retirees and survivors. Our offices will remain closed to visitors until state and national officials lift the stay at home orders that have been in place.

TRUSTEE ELECTIONS POSTPONED

The OP&F Board of Trustees voted on March 27, in an emergency meeting to postpone the 2020 trustee elections to **Dec. 1, 2020**. The Board reacted to the General Assembly's legislative authority granted to all five Ohio pension systems to postpone elections in Ohio's coronavirus emergency response bill signed by the governor Friday afternoon. The bill also allows the current trustees to remain in office until each of their successors are elected.

The reasons the Board came to this conclusion are many. The "stay at home health orders" limit potential candidates' ability to collect original signatures in person in multiple counties and submit and verify by the April 6 deadline. The limits on gatherings of more than 10 people effects signature collection and the counting of ballots in May. Additionally, the American Arbitration Association employees travel from Philadelphia to ensure neutral counting of ballots and may be subject to local and state travel restrictions (in addition to the OP&F travel ban currently in place). Counting of ballots also requires more than 10 people (counters and observers).

These facts made it too uncertain that the election could be completed as required by statute in the next 60 days. Finally, OP&F staff is reduced to essential employees who must focus exclusively on paying pension and survivor benefits, processing service and disability applications, enrolling members in the health care program and protecting the portfolio, which funds the benefits.

The Board did not make the decision lightly and it is unprecedented in the pension fund's history, as is this pandemic. The vote for the election postponement was unanimous with the exception of three abstentions. The three incumbent trustees who are up for re-elections were the abstentions. None of the three is seeking re-election to their current seat.

When new dates and deadlines are established, they will be posted on the OP&F website.



John J. Gallagher, Jr.

PORTFOLIO -update-

OP&F's Investment Portfolio Value*

As of April 9:

\$14.30 billion

End of February value:

\$15.61 billion

End of January value:

\$16.26 billion

**values may be internally estimated*

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear Members,

As we have said on numerous occasions, the primary mission for OP&F is to provide the promised pension and disability benefits to our members who have earned them through careers of protecting our communities. This is still our mission, regardless of the circumstances in which we live.

The COVID-19 virus outbreak has touched all of our lives and routines. We have adjusted, become more cautious and aware. At OP&F, we are using contingency plans that have been in place for years, but never put into practice like they have recently.

We have many different procedures and operations within our organization, but the first one we examined was how to do everything possible to make sure benefit payments continued to reach our retirees. The processes in place work, and we expect no disruptions in benefits. We expect electronic transfers to take place on time and reach your financial institutions. We also expect that these banks and credit unions continue business, although we obviously cannot control their operations.

After providing benefits, many other important functions are addressed to keep OP&F running. Processing member enrollments and retirements, Deferred Retirement Option Plan participations and disbursements and monitoring the health care stipend plan are all crucial. Likewise, managing our investment portfolio is vital, especially in these turbulent financial times.

We all hope that the coronavirus pandemic will be under control soon. We also hope that the precautions put in place across our society were prudent and helped relieve the pressure put on our nation's health care system – and to our first responders, who continue to protect us all.

I wish you all good health as we continue to manage our operations to serve you.

Sincerely,

John J. Gallagher, Jr.
Executive Director

CORRECTION:

The winter 2020 Member's Report newsletter incorrectly stated that Deferred Retirement Option Plan (DROP) accruals included a portion of employer contributions. Only a portion of the member contributions are included in the accrual. We regret this error, and the online edition of the newsletter was corrected on Jan. 10.



OP&F BENEFITS CONTRIBUTE \$1.8 BILLION TO OHIO'S ECONOMY, 14,393 JOBS IN 2018

The economic impact of the pension fund serving Ohio's retired firefighters and police officers totaled more than \$1.8 billion and supported more than 14,000 jobs in 2018, according to a study commissioned by the Ohio Police & Fire Pension Fund (OP&F).

The study, conducted by the University of Cincinnati Economic Center, shows that defined benefit retirement plans like OP&F are of value not only to its members, but also to the overall economy of Ohio. The data in the report provides important data for key decisions-makers – primarily state representatives and senators, who make the laws prescribing how public pensions are funded and governed.

“This study is another indicator of the value of retirement systems like OP&F,” said John Gallagher, OP&F executive director. “These numbers show how much these members continue to give back, even in retirement. After a career of protecting our communities as police officers and firefighters, the way they use these benefits are tremendous and consistent in helping to fuel our state’s economy.”

Among other findings, the study revealed that:

- In 2018, OP&F activity resulted in more than \$1.829 billion in total economic output in Ohio and supported for 14,393 jobs across the state. The jobs supported had an average annual income of nearly \$43,000.
- OP&F has compiled an enviable record in growing its total investment portfolio, which rose from \$2.9 billion in 1967 to nearly more than \$16 billion in Jan. 2020.
- In 2018, OP&F provided \$1.172 billion in benefits to retired members. \$1.009 billion of this amount was to members residing in Ohio.
- Eighty-four percent of OP&F retirees remain in Ohio, meaning they spend their benefits locally.

OP&F's ongoing operations and capital expenditures also generate millions of dollars of spending and support hundreds of jobs in the Ohio economy. The Ohio Police and Fire Pension Fund paid 149 employees \$10.6 million in earnings in 2018 and spent an additional \$53.0 million on professional services, communications, and other products and services vital to its daily operations. Together with annual capital expenditures of approximately \$1.0 million, OP&F's direct impacts on the Ohio economy in 2018 included \$64.6 million in output, 153 jobs supported, and \$11.0 million in earnings. The direct spending spurred indirect impacts of \$81.9 million in output, 257 jobs supported, and \$17.8 million in earnings. Total economic impacts to Ohio of OP&F's operations and capital expenditures in 2018 included \$146.6 in output, 410 jobs supported, and \$28.7 million in earnings.

To arrive at state and district impacts, the study analyzed raw data provided by OP&F to calculate direct impacts – the “face value” of pension benefits, salaries and other outputs into the economy. However, each time a dollar is spent within the community it enables additional economic activity to occur, including the creation of jobs. To measure the total economic impact of OP&F, the University of Cincinnati Economics Center applied economic multipliers provided by Economic Modeling Specialists International (EMSI). EMSI maintains an input-output model that produces industry- and region-specific multipliers that quantify the changes in jobs, earnings, and output resulting from a change in economic activity.

The full report is on the OP&F website at:

www.op-f.org/Files/OPFeconomicImpact2018.pdf



THE BRIDGE FOR FIRST RESPONDERS

First Responders Bridge is a non-profit (501c3) comprised of first responders who have experienced first-hand the traumatic events associated with duty related crisis; licensed clinicians who have counseled numerous first responders, and business and community leaders who have the passion for helping first responders and their families.

The mission of First Responders Bridge is to support all active or retired first responders, dispatchers, and their family members or caregivers who are experiencing any traumatic or life altering event. They will work with these individuals or families to assist in personal growth to sustain healthy relationships with a multi-faceted approach within a safe and confidential environment.

First Responders Bridge provides a three-day, expense-free retreat for first responders, dispatchers and their family

members or caregivers. Through this retreat, they aim to bring healing to those who need it. The retreat offers a relaxing and healing environment where they can learn through activities, peer speakers, clinicians and open discussions. First Responders Bridge retreats are producing healthier first responders, healthier marriages and our ultimate goal is to reduce the suicide rate among our first responders.

The costs associated to attend our retreats are paid for through donations provided by sponsors. These sponsors appreciate the sacrifices of these heroes who serve their communities every day.

To learn more about The Bridge and to see dates of upcoming retreats, go to: firstrespondersbridge.org, or call (614) 271-4981.



COBRA AND YOUR OP&F HEALTH CARE STIPEND

At the time of your retirement, you will probably have the option of continuing on your employer's health plan for at least 18 months, thanks to a federal law called the Consolidated Omnibus Budget Reconciliation Act (COBRA). You will be eligible to receive the OP&F stipend while maintaining your COBRA plan until the next Affordable Care Act enrollment period or until the expiration of your COBRA plan, whichever you prefer. However, you must enroll in a major medical qualified health plan through Aon, eHealth or the Insurance Marketplace within 60-days of your COBRA expiration to continue to be eligible for OP&F's stipend.

After COBRA

When enrolling in OP&F's health care program, you will have flexibility and access to a variety of health insurance and prescription drug plan options, as well as dental and vision coverage. In addition to having greater flexibility to choose a health plan, eligible retirees will continue to receive the OP&F stipend through a Health Reimbursement Arrangement (HRA) to help offset the cost of health care. To begin receiving the OP&F stipend, you must submit to OP&F a completed Health Care Stipend Eligibility form along with proof of COBRA coverage listing the names of all enrolled, coverage effective date and end date. OP&F will acknowledge receipt of the form and request any additional documentation.

Approximately 90-days prior to the expiration of your COBRA plan OP&F will contact you requesting proof of enrollment in a major medical qualified health plan. To continue to be eligible to receive OP&F's stipend you must submit proof of enrollment that includes the following:

- Documentation from the new carrier which includes the name of the plan enrolled in;
- Names of the participants enrolled in the plan;
- Effective dates of coverage for the enrolled participants in the plan;
- OP&F's Health Care Stipend Eligibility form.

To make the transition from your COBRA plan a smooth one, Aon and eHealth can help you compare plans, get answers and assist you in selecting and enrolling in a plan. However, if you enroll in a plan through the Insurance Marketplace you will need to submit proof of coverage to OP&F and you will no longer have advocacy through Aon or eHealth with claim problems or other carrier issues.

Disability Applicants

Disability applicants are encouraged to apply for COBRA coverage through their employer for health care. Once employment ends there may be a gap between when the employer's health care coverage expires and eligibility to enroll in a plan through OP&F. Obtaining COBRA coverage will prevent a lapse in coverage while a disability application is being considered. COBRA premiums are also a stipend-eligible expense.

To qualify for a stipend from OP&F you must become eligible for the OP&F health care stipend during the next open enrollment period. If you do not become eligible during the next open enrollment period, you will need to remain on COBRA until the contract period ends.

If you have questions regarding this information, please contact an OP&F Customer Service Representative at 1-888-864-8363 Monday through Friday 8:00 a.m.-4:30 p.m. ET.

GET INFORMED ABOUT YOUR MEDICARE CHOICES

Get an in-person look at Medicare from the comfort of your own home. The Aon Retiree Health Exchange and OP&F are sponsoring free webinars every month in 2020 for members who are becoming eligible for Medicare.

These webinars are specifically for those that are retired and becoming Medicare eligible within the next six months. You may join one or all webinars. The webinars will include information on how and when to enroll. Below is the schedule for the webinars and instructions on how to participate.

To participate, follow these steps:

1. Visit webex.com
2. Select **Join** from the upper right area of the screen
3. Enter the **meeting number**, your **name** and **email**
4. If a meeting **password** is requested, enter **Medicare1!**
5. To access the webinar conference line, call **1-877-542-7993 (toll free)**. Please **do not** select "join video" when prompted.

Each Webinar begins at 11 a.m. Eastern time and lasts approximately one hour.

MEDICARE WEBINARS

Tues, May 19

Meeting number and attendee access code:

592 537 467

When prompted, enter the participant passcode:

592 537 467#

Tues, Sept. 22

Meeting number and attendee access code:

590 895 893

When prompted, enter the participant passcode:

590 895 893#

Tues, June 16

Meeting number and attendee access code:

596 636 139

When prompted, enter the participant passcode:

596 636 139#

Tues, Oct. 20

Meeting number and attendee access code:

598 625 775

When prompted, enter the participant passcode:

598 625 775#

Tues, July 21

Meeting number and attendee access code:

598 631 762

When prompted, enter the participant passcode:

598 631 762#

Tues, Nov. 17

Meeting number and attendee access code:

597 940 998

When prompted, enter the participant passcode:

597 940 998#

Tues, August 18

Meeting number and attendee access code:

592 967 766

When prompted, enter the participant passcode:

592 967 766#

Tues, Dec. 15

Meeting number and attendee access code:

597 887 137

When prompted, enter the participant passcode:

597 887 137#



SECURE ACT CHANGES AGE FOR WITHDRAWALS

For tax years beginning after 2019, a new federal law repeals the age restrictions concerning mandatory withdrawals to many types of retirement savings plans. The Secure Act, or the Setting Every Community Up for Retirement Enhancement, was signed into law in December 2019.

Americans will no longer be required to withdraw assets from IRAs and 401(k)s at age 70½. This includes Deferred Retirement Option Plan accruals for OP&F members. These Required Minimum Distributions, or RMDs, will now begin at age 72, including individuals who turn 70½ in the calendar year 2020.

If you turned age 70½ in 2019 and have already begun taking your RMDs, you should generally continue to take your RMDs. The IRS may provide further guidance on this point, so you might want to speak with your tax advisor regarding any 2020 distributions.

YOU CAN RETRIEVE YOUR 1099-R ONLINE

The Member Self-Serve area of the OP&F website allows members to download the Form 1099-R for tax reporting purposes and opt-out of receiving the form in the mail. To opt-out of the mailing:

- Members must log into their account in the Member Self-Serve area of the OP&F website
- Choose Document Preferences.
- Choose to opt-out of the mailing.
- Members must have an email address to use the opt-out feature.

The Form 1099-R can be viewed and printed from the Member Documents link within the Member Self-Serve area of the website.

To register for the Member Self-Serve area of the website, go to op-f.org and click the link for Member Self-Serve Web in the upper left corner. Look for the register link and follow the instructions.

90 DAY NOTICE RECOMMENDED FOR SUBMITTING SERVICE RETIREMENT PAPERWORK

With the changes in retiree health care over the past year, OP&F now recommends that members who will be retiring submit their applications at least 90 days before their anticipated separation from their employer.

The 90 days allows the member adequate time to shop and enroll in a health care plan through the Aon Retiree Health Exchange. Members who file retirement applications closer to their actual retirement date may risk a lapse in health care coverage since the coverage from their employer may end before the effective date of a new policy.

RETURN SERVICE REQUESTED



Toll Free: 1-888-864-8363
General Information: (614) 228-2975
Fax: (614) 628-1777
TTY: (614) 221-3846
E-mail: questions@op-f.org
Monday-Fridays 8 am-4:30 pm EST

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PRUDENCE • INTEGRITY • EMPATHY

Securing the future for Ohio's Police and Firefighters

IMPORTANT DATES

- April 28-29Board of Trustees meetings*
 - May 19-20.....Board of Trustees meetings*
 - May 25OP&F closed in observance of Memorial Day
 - June 16-17Board of Trustees meetings*
 - July 3.....OP&F closed in observance of Independence Day
- *Board meeting format may be teleconference only or reduced to a single day*

DO WE HAVE YOUR EMAIL ADDRESS?



If your email address is not on file, please send it to us at questions@op-f.org, or contact an OP&F Customer Service Representative at 1-888-864-8363. Members can also update their information securely online from the secure Member Self Serve web portal.

SUSPECT DISABILITY FRAUD? CALL 844-FRAUD HOTLINE (844-372-8345)